State of California AIR RESOURCES BOARD

Summary of Board Meeting November 20 & 21, 2008

California Air Resources Board Byron Sher Auditorium, Second Floor 1001 I Street Sacramento, California

MEMBERS PRESENT: Mary Nichols, Chairman

Ms. Sandra Berg
Dr. John Balmes
Ms. Dorene D'Adamo
Supervisor Jerry Hill
Ms. Lydia Kennard
Mayor Ronald Loveridge
Supervisor Ron Roberts
Professor Daniel Sperling

Dr. John Telles

Agenda Item

08-10-1: Report to the Board on Impacts of Climate Change on California: Scenarios Assessment Findings

This was the fifth in a series of semiannual updates to the Air Resources Board (ARB or Board) on the latest scientific evidence relating significant impacts to California's ecosystems, economy, and public health due to changes in the climate system resulting from increasing levels of greenhouse gases in the atmosphere.

Recognizing that additional global warming is inevitable, the Governor directed the Secretary of the California Environmental Protection Agency to lead a multi-agency effort to regularly assess the impacts of climate change on California and to examine options that would best prepare the State to respond to the most adverse consequences. Coordinated by the Climate Action Team, a group of approximately 80 scientists from governmental, academic, and non-profit research entities carried out the first scenario assessment published in 2006. The first assessment validated the need to begin California's role in global reductions of greenhouse gases – as subsequently adopted in AB 32 – needed to avoid catastrophic impacts on California's water supply, agriculture, and coastal resources.

The 2008 assessment is a work in progress and will be released early next year. It will translate projected impacts into costs and explore adaptation options to climate change already underway. Relating key findings from the Scenario Assessment, staff highlighted for the Board the latest information about global levels of carbon dioxide in the atmosphere, which are being emitted at an accelerated pace. Even in the most optimistic scenarios, emissions of greenhouse gases will add greater demand on our energy resources. The most severe impacts will change California's coastline, from the San Francisco Bay Area to San Diego. Our world renowned agriculture will suffer; for example, warmer temperatures could impair grape quality throughout the State.

Staff reported that the work conducted to date indicates that public health will be impacted by worsening air quality due to elevated surface-level ozone concentrations resulting from higher temperatures and more intense and frequent wild fires. Climate induced warming will make achieving health-based air quality standards more difficult to attain and maintain, thereby increasing control costs. Finally, the costs of unmitigated climate change are expected to far exceed the costs of mitigation and adaption. Any delay in making reductions in greenhouse gas emissions will make prevention of the most severe and catastrophic impacts of a warming world challenging, if not impossible.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None (Informational item)

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: No

08-10-2: Public Meeting to Consider the Assembly Bill 32 Scoping Plan to Reduce Greenhouse Gas Emissions in California

Prior to public testimony, staff presented information about the Assembly Bill 32 (AB 32) Proposed Scoping Plan (Plan) to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020. The presentation covered how California's efforts coordinate with regional, national, and international GHG emission reduction activities, a brief review of the major elements of the Plan, and a summary of the requirements set by AB 32 for the Plan and for regulations adopted to implement the statute.

During the development of the Plan, staff heard and considered various viewpoints from members of the public and other

stakeholders. The staff presentation summarized some of these stakeholder and public comments received to date. Most of the comments received fell into three categories: the role of cap and trade, specific measures, and the economic and environmental analyses of the Plan.

More than two hundred witnesses signed up to testify, and between the two days of the hearing, 149 people presented their oral comments, including advisors, representatives of State agencies, the general public and other stakeholders. Witnesses were generally supportive of the Plan, but most also offered specific changes they wish to see in the final Scoping Plan. The majority of the commended changes related to: commercial recycling, the regional transportation-related greenhouse gas emission reduction target, the evaluation of the economic effects of implementing AB 32, the cap-and-trade program (especially as it relates to allowances, offsets, the economic implications of design options, the role of voluntary renewable power purchases, or the use of a carbon fee instead of a cap-and-trade program), the need for ARB's collaboration with both state and local public health agencies, as well as with the small business community, the need to assess the potential cumulative air pollution impacts of proposed regulations (especially for communities already adversely impacted by air pollution), the involvement and funding of local air districts in implementation of the Plan, fuels management strategies in forests, and reducing the threshold for the industrial audit measure.

ORAL TESTIMONY (November 20, 2008):

Angela Johnson-Meszaros, Environmental Justice Advisory Committee

Dr. Alan Lloyd, Economic and Technology Advancement Advisory Committee

Dr. Bob Epstein, Economic and Technology Advancement Advisory Committee

Tony Brunello, California Resources Agency

Nancy Ryan, California Public Utilities Commission

Claudia Chandler, California Energy Commission

Margo Reid Brown, California Integrated Waste Management Board

Mark Cowin, California Department of Water Resources

Roy McBrayer, California Department of General Services

Cathy Hicks, California Department of General Services

Jon Harrison, City of Redlands

Janice Keating, City of Modesto

Lisa Novotny, City of Lakewood

Pete Montgomery, California Building Industry Association

Rev. Charlotte Myers, California Interfaith Power and Light

Shabaka Heru, Society for Positive Action

Kathrine Phillips, Environmental Defense Fund

Paul Glaab, City of Laguna Niguel and State Mandates Commission

Jim Talbott, Smooth Transportation

Kyra Ross, League of California Cities

David Schonbrunn, TRANSDEF

John Cunningham, Contra Costa County Department of Conservation and Development Transportation Planning Section

Chris Morfas, Safe Routes to School

Robert Sudnick, Evergreen Oil

Josh Shaw, California Transit Association

Ray Pingle, Sierra Club California

Matt Vander Sluis, Planning and Conservation League

Cal Broomhead, City and County of San Francisco

Calla Rose Ostrander, City of San Francisco

John Ellison, Environmental Council of Sacramento

Kate Wright, Local Government Commission

Michael Brennan, City of Oakdale, Stanislaus County

David Assmann, Department of the Environment in San Francisco and Green Cities California

Sgt. Major Daniel Morales, American GI Forum, Sacramento

Frank Alvarez, American GI Forum, Modesto Chapter

Willie Galvan, American GI Forum

Bob Johnston, U.C. Davis

Amanda Eaken, ClimatePlan

Linda MacKay, citizen of Lebec, CA

Nettie Morrison, Allensworth Community Council

Irma Medellin, Center on Race, Poverty and the Environment

Socorro Gaeta, Fresno Valley of San Joaquin and Fresno Metro Ministry

Ray Leon, San Joaquin Valley Latino Environmental Advancement and Policy Institute

Jose Lara, citizen of Weedpatch, CA

Margarita Guzman, citizen of Fresno

Inez Rojas, Asthma Community for Health and a Better Environment of Fresno

Maria Rivera, citizen of Lamont, CA

Luke Cole, Center on Race, Poverty, and the Environment;

Environmental Justice Advisory Committee

Arthur Boone, Northern California Recycling Association

Nick Lapis, Californians Against Waste

Charles Helget, Allied Waste

Chuck White, Waste Management, Inc.

Laurie Wayburn, Pacific Forest Trust

Rachael Katz, Pacific Forest Trust

Michelle Passero, The Nature Conservancy

Bud Beebe, Sacramento Municipal Utility District

Michael Murray, Sempra Energy

Kari Smith, Sun Power Corporation

Ana Orozco, Communities for a Better Environment, Richmond, CA

Malaki Seku-Amen, California State Conference of the National Association for the Advancement of Colored People

Roberto Cabrales, Communities for a Better Envrironment, Los Angeles, CA

John Busterud, Pacific Gas and Electric Company

Susie Berlin, from McCarth & Berlin, on behalf of Northern

California Power Agency

David Wright, Riverside Public Utilities; Southern California Public Power Authority

Ron Davis, Burbank Water and Power

Phyllis Currie, Pasadena Water and Power; Southern California Public Power Authority

Leilani Johnson Korral, Los Angeles Department of Water and Power

Elizabeth Hadley, Redding Electric Utility

Bill Sproull, Clear Edge Power; Environmental Entrepreneurs

Lynda Gilgun, Environmental Health Coalition

Gary Schoonyan, Southern California Edison Company

Sofia Sarabia, Center on Race, Poverty and the Environment

Marybelle Nzegwu, Center on Race, Poverty and the Environment

Diane Takvorian, Environmental Health Coalition; Environmental Justice Advisory Committee

Polly Shaw, SUNTECH

Scott Tomashefsky, Northern California Power Agency

David Brodwin, New Voice of Business

Sara Birmingham, Solar Alliance

Barry Vesser, Climate Protection Campaign

Rafael Aguilera, Verde Group, on behalf of Climate Protection Campaign

Andrew Hoerner, Redefining Progress

Michael Beer, citizen of Richmond, CA

Kari Decker, APX

Brent Newell, Center on Race, Poverty and the Environment

Barbara Lee, California Air Pollution Control Officers Association (CAPCOA); Northern Sonoma County Air Pollution Control District

Sayed Sadredin, San Joaquin Valley Air Pollution Control District; CAPCOA

Terry Dressler, Santa Barbara County Air Pollution Control District; CAPCOA

Jack Broadbent, Bay Area Air Quality Management District, CAPCOA

Larry Greene, Sacramento Metro Air Quality Management District; CAPCOA

Alan Abbs, Tehama County Air Pollution Control District; CAPCOA Dr. Barry Wallerstein, South Coast Air Quality Management District; CAPCOA

Amisha Patel, California Chamber of Commerce; AB 32 Implementation Group

Dorothy Rothrock, AB 32 Implementation Group;

California Manufacturers and Technology Association

Michael Dorsey, Dartmouth College; Durban Group

Ulla Neilsen, citizen of Oakland, CA

Sheone Fleagle, Environmental Justice Coalition for Water; Policy Link

Tim Harris, citizen of Richmond

Ruben Jauregui, Latin Businesses Association; Latino Institute for Carbon Inclusion

Marco Polo, San Diego Hispanic Chamber of Commerce

Jesus Torres, resident of Wilmington; Communities for a Better Environment

Matthew Hargrove, International Council of Shopping Centers; National Association of Industrial and Office Properties;

Building Owners and Managers Association of CA

Michael Zuckermann, Temple nightclub in San Francisco; Business Council on Climate Change

Bob Lucas, California Council for Environmental and Economic Balance

Charles Frazier, California Black Chamber of Commerce

Sarah Skikne, The Climate Group

Carolyn Casavan, Valley Industry and Commerce Association

Frank Caponi, Los Angeles County Sanitation District

James Fine, Environmental Defense Fund (EDF)

Dr. Richard McCann, Aspen Environmental Group; retained by EDF Hank Ryan, Small Business California

James Duran, Hispanic Chamber of Commerce of Silicon Valley;

State Hispanic Chamber of Commerce

Andrew Barrera, TELACU; United States Hispanic Chamber of Commerce

Allison Stoffer, California Small Business Association

Bill LaMarr, California Small Business Alliance

Susan King, California Nurses Association

Gina Solomon, Natural Resources Defense Council; UC San

Francisco Pediatric Environmental Health Specialty Unit

Bonnie Holmes-Gen, American Lung Association of California

Martha Arguello, Physicians for Social Responsibility;

Environmental Justice Advisory Committee

Dr. Trisha Roth, American Academy of Pediatrics

Brandon Kitagowa, Regional Asthma Management and Prevention

Linda Weiner, American Lung Association

Justin Malan, Local Environmental Health Directors

Isaac Azibuike Akaba, Environmental Indicators Project in West Oakland

Cathy Reheis-Boyd, Western States Petroleum Association Robert Whyman, Latham and Watkins, on behalf of California Climate Coalition

Eileen Dutton, Asphalt Roofing Manufacturers Association

Hyde Ewing, Ebbetts Pass Forest Watch

Susan Strong, Extruded Polystyrene Foam Association; Center for Polyurethane Industry of the American Chemistry Council; Polyiso Insulation Manufacturers Association; Spray Polyurethan Foam Association

Jim Sandoval, CH2 representing the Bay Area Clean Water Agencies

Rebecca Sutton, Environmental Working Group

Patty Senecal, International Warehouse Logistics Association;

Western States Goods Movements Alliance

Andy Katz, Breathe California

Tony Fisher, New United Motor Manufacturing, Inc.

ORAL TESTIMONY (November 21, 2008):

Bill Magavern, Sierra Club California

Shankar Prasad, Coalition for Clean Air

Tim Carmichael, Coalition for Clean Air

Danielle Osborn Mills, Center for Energy Efficiency and Renewable Technologies

Kris Tjernell, Audobon California

Crystal Muhlenkamp, Bloom Energy

Ken Johnson

Erin Rogers, Union of Concerned Scientists

Peter Miller, Natural Resources Defense Council

Chris Busch, Union of Concerned Scientists

Ed Pike, International Council on Clean Transportation

Julie Sauls, California Trucking Association

Cynthia Corey, California Farm Bureau

John White, Clean Power Campaign

Casey Creamer, California Cotton Ginners and Growers
Association

FORMAL BOARD ACTION:

This item was continued to the December 11, 2008 Board Meeting.

RESPONSIBLE DIVISION: Office of Climate Change

STAFF REPORT: Yes

08-10-3: Public Hearing to Consider Amendments to the Current Regulation for Small Off-Road Engines

SUMMARY OF AGENDA ITEM:

Staff proposed and the Board adopted amendments to the existing small off-road engine regulations and test procedures that 1) eliminate accrual of production emission credits, 2) allow existing production emission credits to be used through the 2009 model year, and 3) limit certification emission credit life to five years. Other amendments were adopted to provide emission credits for zero emission professional lawn and garden equipment, to streamline the regulations through harmonization with United States Environmental Protection Agency requirements, and to simplify certification and testing procedures.

ORAL TESTIMONY:

Dr. Rasto Brezny, Manufacturers of Emission Controls Association Roger T. Gault, Engine Manufacturers Association Henry Hogo, South Coast Air Quality Management District Neil Maguire, Lion Cells James McNew, Outdoor Power Equipment Institute

FORMAL BOARD ACTION:

The Board approved Resolution 08-41.

RESPONSIBLE DIVISION: Mobile Source Control Division

STAFF REPORT: Yes

08-10-4: Pubic Hearing to Consider Amendments to the Current Regulation for Large Spark-Ignition Engines with an Engine Displacement Less Than or Equal to One Liter

SUMMARY OF AGENDA ITEM:

Staff proposed, and the Board adopted, amendments to the existing off-road large spark-ignition (LSI) engine regulations to include more stringent exhaust emission standards and evaporative emission standards for LSI engines less than or equal to one liter. The adopted exhaust emission standards include two new subcategories, LSI engines less than or equal to 825 cc, and LSI engines between 825 cc and one liter. The exhaust emission standards for LSI engines between 825 cc and one liter would begin in 2011 and become more stringent in 2015.

The Board also adopted evaporative standards which require equipment with LSI engines with an engine displacement less than or equal to one liter to meet the same evaporative emission standards applicable to small off-road engines beginning in 2011. Additionally, the adopted regulations allow LSI engines used in vehicles similar to off-highway recreational vehicles to use the recreational vehicle test procedures and certification procedures.

ORAL TESTIMONY:

Rasto Brezny, Manufacturers of Emission Controls Association Roger Gault, Engine Manufacturers Association Henry Hogo, South Coast Air Quality Management District Lawrence Keller, Polaris Industries Inc. James McNew, Outdoor Power Equipment Institute

FORMAL BOARD ACTION:

The Board approved Resolution 08-42

RESPONSIBLE DIVISION: Mobile Source Control Division

STAFF REPORT: Yes